

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ENERGY FACILITY SITING BOARD

In re: The Narragansett Electric Company :
(E-183 115kV Transmission Line : Docket No. SB-2003-01
Relocation Project – A/C I-195 Relocation) :

RESPONSE OF ATTORNEY GENERAL PETER F. KILMARTIN
TO JOINT REPORT AND MOTION OF EAST PROVIDENCE
AND NATIONAL GRID

Background

In 2003, National Grid filed an application with the Energy Facilities Siting Board (“EFSB”) that proposed an overhead relocation alignment for an existing transmission line which runs from the Franklin Square Substation and crosses the Providence and Seekonk Rivers into East Providence to a point known as the Phillipsdale Tap Point. East Providence, Providence and the Department of Attorney General (“Department”) objected to the original overhead proposal, on among other grounds, that it would prevent future development of certain parcels of waterfront property in East Providence and interfere with the use of India Point Park. East Providence, Providence and the Department advocated in favor of an underground alignment which was defined as the underground relocation of the portion of the E-183 Line between the Franklin Square Substation and a new transition station in East Providence along with rebuilding and re-conductoring other aspects of the existing facilities (the “Underground Alternative”).

On May 24, 2004, National Grid, East Providence, Providence and the Department entered into a Settlement Agreement addressing the issues that had been raised by National

Grid's application. Pursuant to the Settlement Agreement, the parties agreed to determine whether or not the Underground Alignment was "feasible." If it was not determined to be feasible, then the Settlement Agreement identified two principal alternative overhead configurations in descending order of preference for consideration: (i) Bridge Alignment – North, and (ii) Bridge Alignment – South. Settlement Agreement, Paras. E and F.

After the Settlement Agreement was executed, the parties commenced exploring various options for funding the Underground Alternative. In the 2004, the General Assembly passed legislation that permitted Providence and East Providence to forego some or all of the respective municipality's share of the refund accruing to ratepayers from Docket No. 2930 and permitted National Grid to use up to \$2 Million to fund the Underground Alternative. R.I. Gen. Laws § 42-98-1.1. Despite obtaining access to these funds, as of February 15, 2005, National Grid estimated that the project was \$8 Million short in funding, excluding acquisition of land and interests in land for the transmission line and transition station.

Over the ensuing three years, the parties continued to search for ways to close this funding gap including re-examining the proposed design of the Underground Alternative, seeking funding from ISO-NE for all or a part of the Underground Alternative, and obtaining grants from various federal sources. With the funding gap unresolved, in 2008, the General Assembly amended R.I. Gen. § 42-98-1.1 for a second time granting National Grid authority to include the incremental costs in its distribution rate base and reflect the revenue requirement in rates to electric distribution customers of Providence and East Providence to the extent the actual costs for the Underground Alignment exceed the funding obtained for the project.

With the funding gap issue resolved, the parties dedicated the next four years refining the scope of the project from an engineering perspective, attempting to resolve land acquisition and

permitting issues, and debating the benefits of relocating a portion of the project called the Phillipsdale Tap.

In the process of developing the engineering of the project, National Grid's expert consultant, Power Engineers, Inc. ("Power Engineers"), identified large abandoned concrete foundations and existing sewer lines beneath the surface of the water in the vicinity of the crossings. These obstructions, among other obstacles, Power Engineers opined, produced a significant risk of project failure.

To corroborate Power Engineers opinion, in April of 2015, East Providence retained an expert consultant, PDC, Inc. ("PDC"), to conduct an independent risk assessment of the Underground Alternative. PDC was "in general agreement with the work Power Engineers had done to date on this project" was in "close agreement with their cost estimate, barring the unknowns (*e.g.*, utility obstacles, contaminated ground, old bridge footings, *etc.*)." PDC also identified several additional areas that would likely increase the project cost including environmental permitting and contamination mitigation that were not included in the pricing.

In October of 2015, Power Engineers conducted a Peer Review Evaluation of the PDC report. Power Engineers reiterated the PDC conclusion that there is "a high risk of encountering uncharted submerged pilings in the river associated with the remains of several bridges at this location." While increasing the depth of the installation might reduce "some of the risks associated with the construction of the HDD portion of the project," it would have a detrimental impact on the cable system requiring "a much larger conductor or additional conductors per phase," resulting in higher estimated costs.

As a result of the risks associated with the Underground Alternative, East Providence and National Grid proceeded to consider the two alternative overhead alignments: (i) Bridge

Alignment – North¹, and (ii) Bridge Alignment – South, in light of goals that had been identified by the parties for the project. These goals were to: (i) move the overhead transmission line out of India Point Park, (ii) eliminate tall lattice towers on the banks of Seekonk River, (iii) relocate the Phillipsdale Tap Line, (iv) reduce the burden on the transmission line, (v) preserve existing private property and businesses, (vi) minimize the risk of the project, and (vii) control project costs.

On October 13, 2016, East Providence and National Grid filed a Report and Joint Motion with the EFSB requesting that agency, after receiving position statements from Providence and the Department, to conduct such proceedings as it deems appropriate pursuant to § II-J of the Settlement Agreement and approve: (i) the use of the Bridge Alignment South for the E-183 Seekonk River crossing as proposed herein, and (ii) the schedule attached to the Joint Report and Motion as set forth in Attachment 2 to the Joint Report and Motion.

Position Statement of the Department of Attorney General

The Bridge Alignment – South Alternative presents a workable project that accomplishes most of the goals identified by the parties for the project. The Settlement Agreement executed by the parties in 2004 contemplated the Bridge Alignment – South and Alternative in the event the Underground Alternative proved infeasible. Thus, the approval of this alternative is in accordance with the letter and intent of the Settlement Agreement that the parties have executed and that has already been approved by the EFSB. In addition, a conceptual grade estimate of the Bridge Alignment – South Alternative projects its cost as significantly less than the cost of the

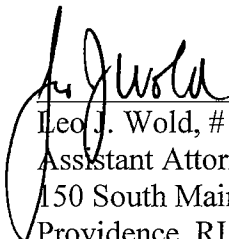
¹ The parties rejected the Bridge Alignment – North Alternative based on the fact that it required an excessively long overhead span, impacted an existing East Providence business, required excessively tall towers and impacted the view of East Side residents.

Underground Alternative. Incremental ratepayer expense will be minimized as a result of the lower overall construction costs. Like the Underground Alternative, the Bridge Alignment – South Alternative opens up the India Point Park area for development and provides improved development potential for the Tockwotton property at the corner of Mauran Avenue and Waterfront Drive in East Providence. Unlike the Underground Alternative, the Bridge Alignment – South proposal possesses none of the risks of failure associated with construction of the underwater crossings. As an overhead transmission project, the Bridge Alignment – South Alternative provides for easier access for line maintenance and repair than the Underground Alternative. The Bridge Alignment – South Alternative has the additional benefit of preserving existing private property and businesses, notably the property located at Pole 1 near Al Forno.

For the aforementioned reasons, the Department believes the Bridge Alignment - South Alternative represents the most feasible, cost-effective solution that accomplishes the goals of the Settlement Agreement. Based on the foregoing, the Department does not oppose the Joint Report and Motion that National Grid and East Providence have filed with the EFSB.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I certify that that a copy of the within document was forwarded by e-mail to the Service List in the above matter on November 2, 2016.

Donna MacRae Doyle